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FISCAL IMPACT STATEMENT

LS 6898

BILL NUMBER: HB 1895

NOTE PREPARED: Mar 4, 2003

BILL AMENDED: Feb 26, 2003

SUBJECT: Investment of Public Funds.

FIRST AUTHOR: Rep. Dvorak

FIRST SPONSOR: Sen. Zakas

BILL STATUS: As Passed - House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: (Amended) This bill allows political subdivisions to form a joint investment fund for the investment of public funds. The bill requires approval of the local board of finance and the legislative body of the political subdivision before the political subdivision may participate. The bill also requires the board of the joint investment fund to establish written guidelines for the investment of public funds based upon trust investments and the Uniform Prudent Investor Act. The bill requires annual audits and daily and monthly reports for each political subdivision.

Effective Date: July 1, 2003.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: By pooling investments in one fund, this bill may reduce administrative costs associated with the investment of public funds for participating political subdivisions. Political subdivisions are not required to participate in the joint investment fund. Expenses of the fund are to be paid from the fund. The fiscal impact of this bill is dependent on local action.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Participating political subdivisions.

Information Sources:

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